



#### CAPITAL STRUCTURE

AQX [Ordinary Shares on issue]	407M
Market Capitalisation [at \$ 0.06]	\$ 24.42M

#### PROJECTS

##### Queensland

EPM 25520	Ngurupai [Horn Island]
EPM 25418	Kaiwalagal

##### New South Wales

EL8225	Looking Glass
EL8469	Mendooran
EL8563	Mendooran North
EL8565	Mendooran South
EL8646	Yarindury

#### BOARD & MANAGEMENT

<b>Phillip Harman</b>	Non-Executive Chairman
<b>Andrew T Buxton</b>	Managing Director
<b>Mark Kerr</b>	Non-Executive Director
<b>Anne Adaley</b>	Company Secretary & CFO

#### SUBSTANTIAL SHAREHOLDERS

<b>Andrew T Buxton</b>	14.95%
<b>Finico ATF Morris Family</b>	9.71%
<b>Mark Kerr</b>	7.47%

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## QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 DECEMBER 2017

Alice Queen Limited [Alice Queen] or [the Company] is pleased to provide its quarterly activities report for the period ended 31 December 2017.

#### HIGHLIGHTS DURING THE QUARTER

- On 13 October 2017 the Company announced the completion of the exercise and conversion of its listed 3 cent 30 September 2017 options
- On 20 October 2017 Alice Queen announced the commencement of its Phase Two Resource drilling at the Horn Island pit area
- Newcrest commenced its NSW Joint Venture drilling program at Mendooran on 25 October 2017
- On 6 November 2017 the Company announced that it had established a sale plan for the significant number of unmarketable parcels of shares on its register
- On 15 November 2017 Alice Queen announced the results of a grab sampling program which tested legacy gold levels in historic Horn Island mine waste dumps and loose rock infrastructure
- On 6 December 2017, the Company announced that drilling of a second hole at Looking Glass had commenced.
- In December 2017 the Company announced that it had signed an access agreement with the Kaurareg Aboriginal Land Trust [KALT] which facilitated the commencement of drilling at the Southern Silicified Ridge [SSR] prospect on Horn Island.

#### COMPLETION OF OPTION EXERCISE AND CONVERSION

On 13 October 2017 the Company announced that 123,609,736 of its 3 cent 30 September 2017 options [Options] has been exercised and converted in to fully paid shares in the Company. The Option conversion was fully underwritten by the Company's lead Manager, Argonaut, and raised \$3,708,292 before costs. The Option exercise was well supported by the Company's Top 20 shareholders along with some new strategic investors who received allocations via Argonaut's sub underwriters. Funds raised were applied to the Company's resource definition drilling at Horn Island.



### PHASE TWO RESOURCE DRILLING AT HORN ISLAND

On 20 October 2017 Alice Queen confirmed the commencement of its Phase Two Resource drilling at Horn Island. The Company announced that it planned to drill approximately 7,300 metres of diamond core over two stages with the intention of upgrading its existing 375,000 oz Au Inferred Resource at Horn Island. At the time Alice Queen foreshadowed that drilling of Stage A would be completed by Christmas 2017 and that Stage B drilling would commence early in 2018. The Company remains on track with this guidance [See Figure 1].

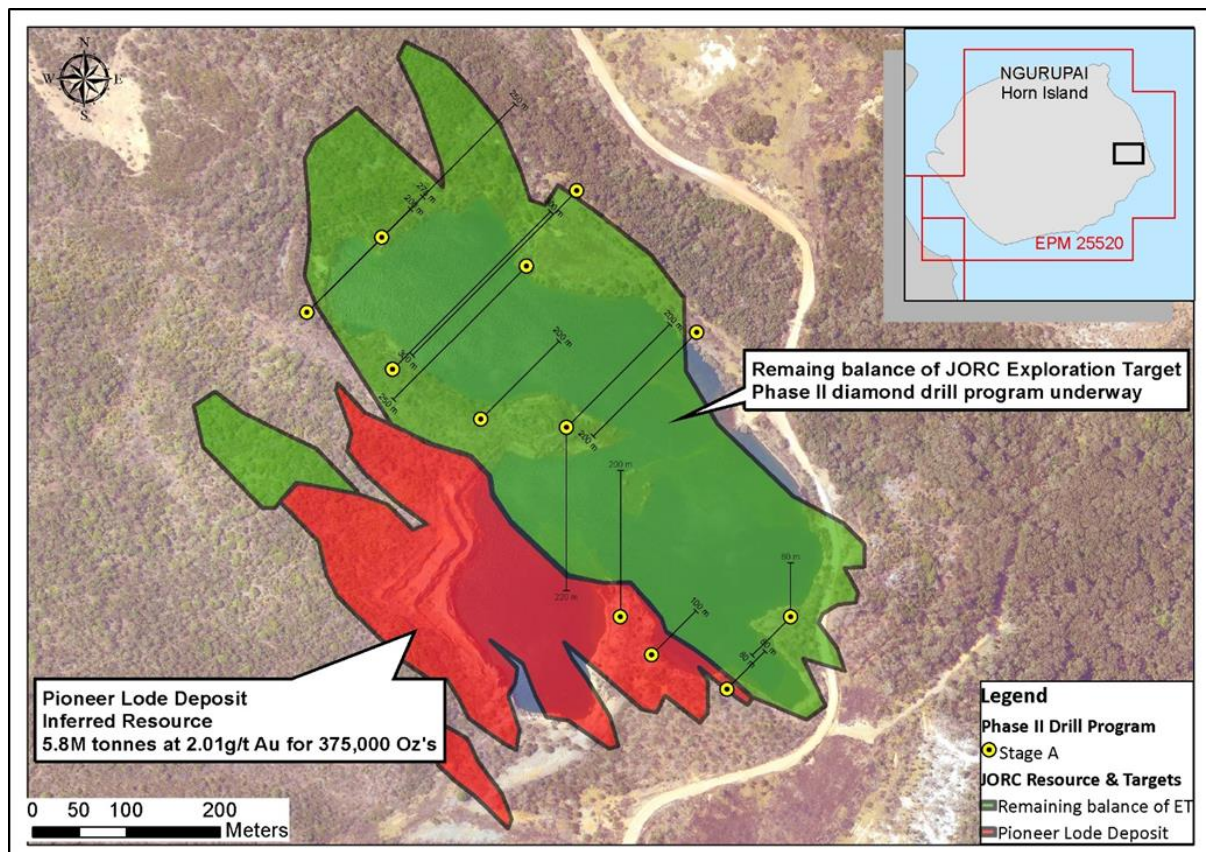


Figure 1. Green area representing the subject of Phase two resource drilling at Horn Island

### NEWCREST COMMENCES JV DRILLING AT MENDOORAN

After executing formal documentation earlier in the year with Newcrest Operations Limited (a subsidiary of Newcrest Mining Limited) [ASX:NCM] on an Option and Farm In Agreement in respect of certain of its NSW tenements, Alice Queen announced that JV drilling at Mendooran had commenced. Prior to this, Newcrest had completed an extensive geophysics program over the subject area which involved both gravity and magnetic intensity surveys. The geophysics had identified 15 drill targets that for the porphyry Cu-Au model with 8 of those targets being placed on a priority list for the focus of initial drilling [See Figure 2]. The Mendooran JV tenements were originally selected by Alice Queen's Chief Technical Director, John Holliday, who was a principal discoverer of Newcrest's giant Cadia Valley Cu-Au porphyry deposits in NSW.



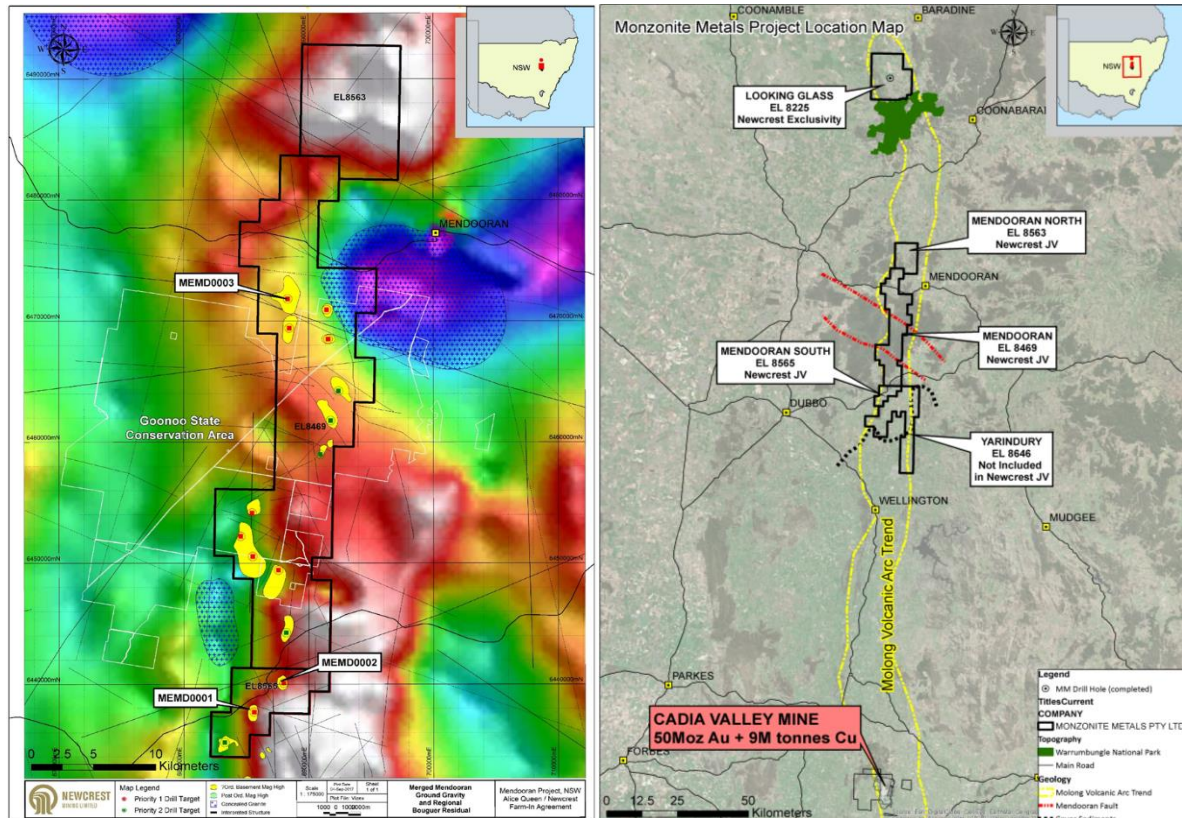


Figure 2 Left hand image of Newcrest JV drill targets over gravity – Right hand image regional map of Mendooran tenements

### SALE OF UNMARKETABLE PARCELS

The Board of Alice Queen announced on 6 November 2017 that had established a share sale plan for the sale of parcels of shares with a value of less than \$500 as at the close of trade on ASX on Friday 3 November 2017 [the Record Date]. The closing price of AQX shares on ASX on the Record Date was \$0.062 [6.2 cents]. An unmarketable parcel for the purposes of the share sale plan was any holding of 8,065 or fewer shares. On the Record Date, 1,575 of the Company's 2,295 holdings of shares in the register of members was unmarketable. At the time, the Company's lead manager, Argonaut, was appointed to manage the sale process of these parcels. The Company undertook this process to reduce the administration costs of the Company.

### GRAB SAMPLING RESULTS – HORN ISLAND LEGACY GOLD

On 15 November 2017 the Company announced the assay results from a first pass surface sampling program that had been completed across numerous mine waste material sites and loose rock infrastructure developed during previous 1980's mining operations at the Horn Island gold project. The grab sampling program targeted surface rocks located on mine waste heaps, low grade stockpiles, bund walls, access tracks and the process water dam wall [See Figure 3 and Figure 4]. In total 80 samples were collected at approximately 50 to 100 metre spacings. The sampling program was intentionally biased towards selecting mineralised rock with the aim to confirm the higher gold grade potential across different sites. **Although the results are extremely impressive they should not be used as a measure of average grade or be used in any formal evaluation process at this stage.** The Company will consider plans to undertake a preliminary RC drill program at some stage this year to evaluate further the grade distribution across these legacy sites.



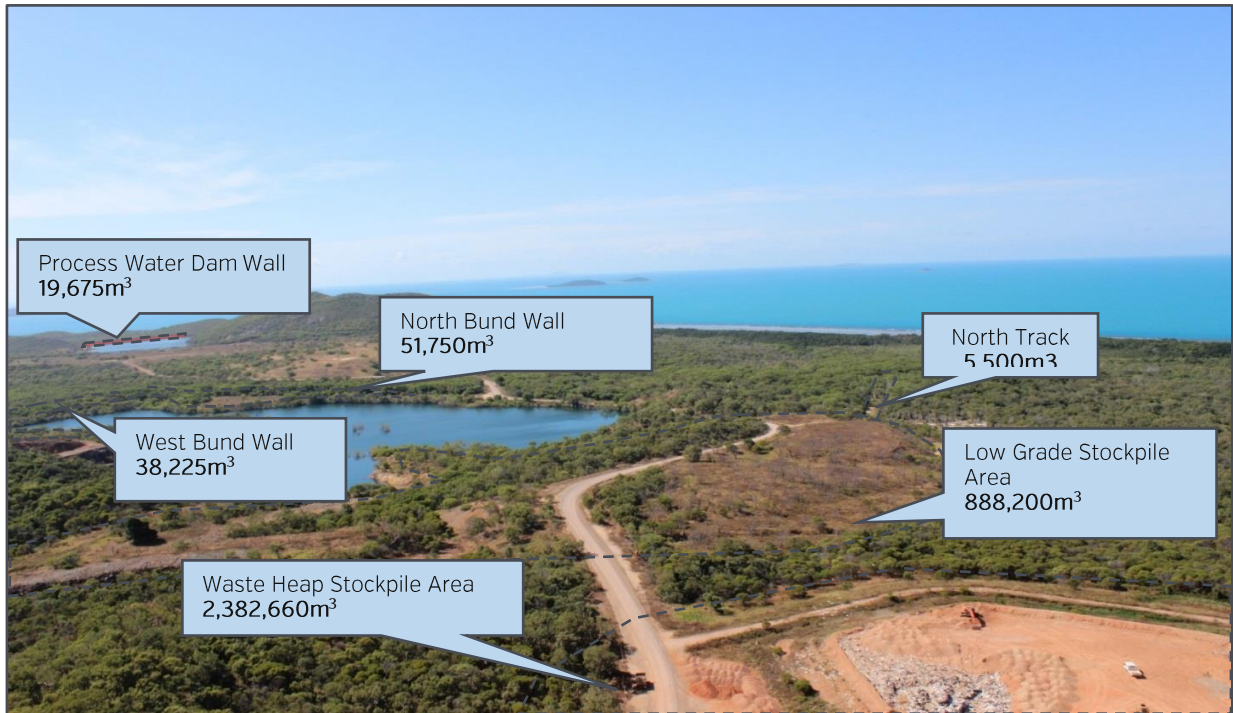


Figure 3. Areas of historic loose rock infrastructure and waste dumps tested for legacy gold values



Figure 4. Loose rock construction of the process water dam wall. The yellow and brown stained rocks are related to oxidation of sulphides. High sulphides are often conducive to good gold values.





### LOOKING GLASS

On 6 December 2017, the Company announced that drilling of a second hole at Looking Glass has commenced. The hole targeted Cadia style porphyry Cu-Au mineralization and was co-funded by the NSW government's New Frontiers grants program.

### ACCESS AGREEMENT AND COMMENCEMENT OF DRILLING AT SSR

On 27 November 2017 Alice Queen announced that it had signed an access agreement with the Kaurareg Aboriginal Land Trust (KALT) for the commencement of a maiden diamond core drill program at the SSR prospect on Horn Island. The SSR prospect is located approximately 2.8 kilometres south west of the historic open pit where the Company's current Inferred Resource of 375,000 ounces of gold is situated. Based on the results of the Company's previous surface sampling and rock chip program over the area, the SSR prospect has an extensive surface gold zone (See Figure 5 and Figure 6) with an interpreted mineralised strike length of 3.0 kilometres.

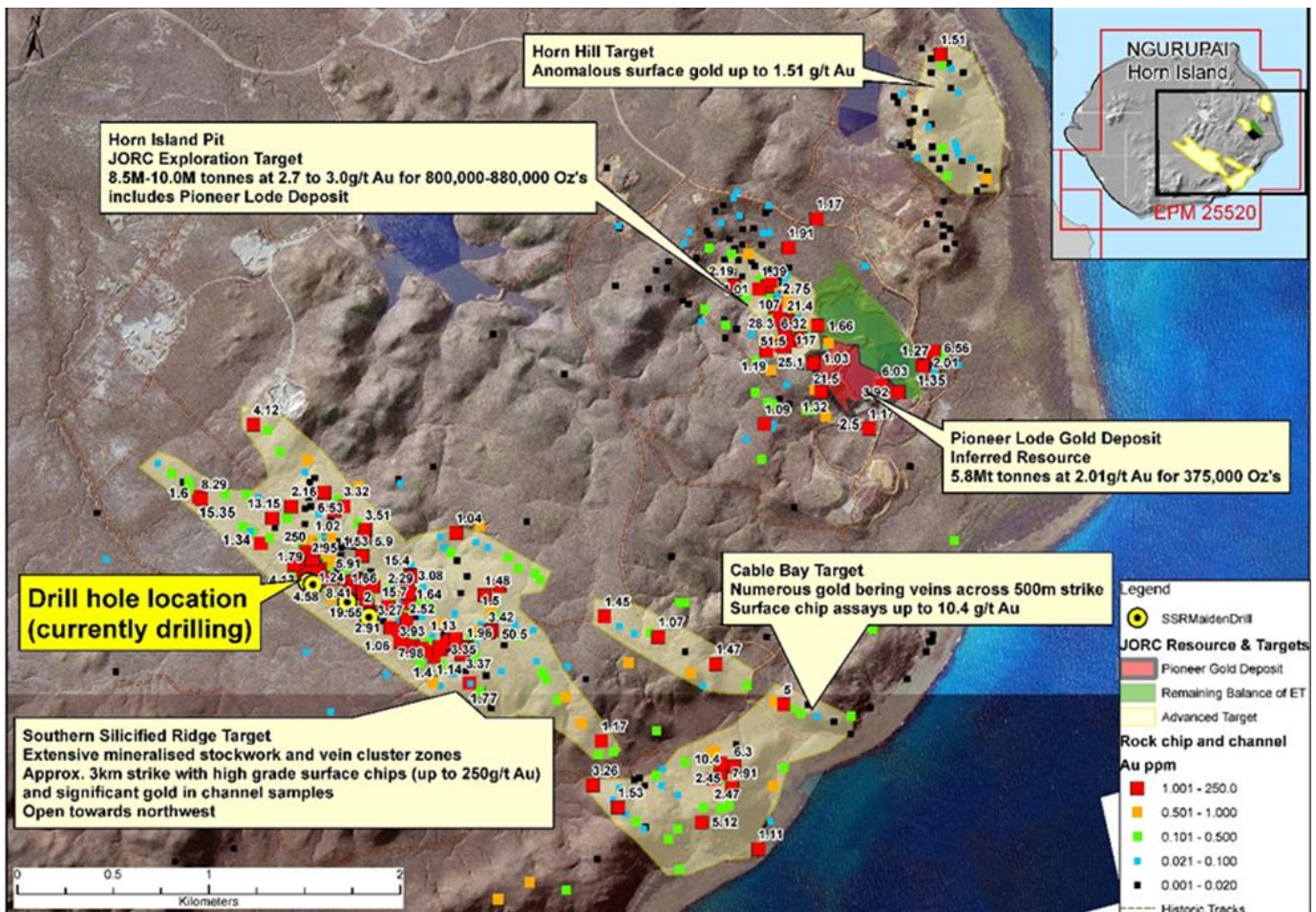


Figure 5 Map of the eastern part of Horn Island showing SSR and historic open pit prospect areas



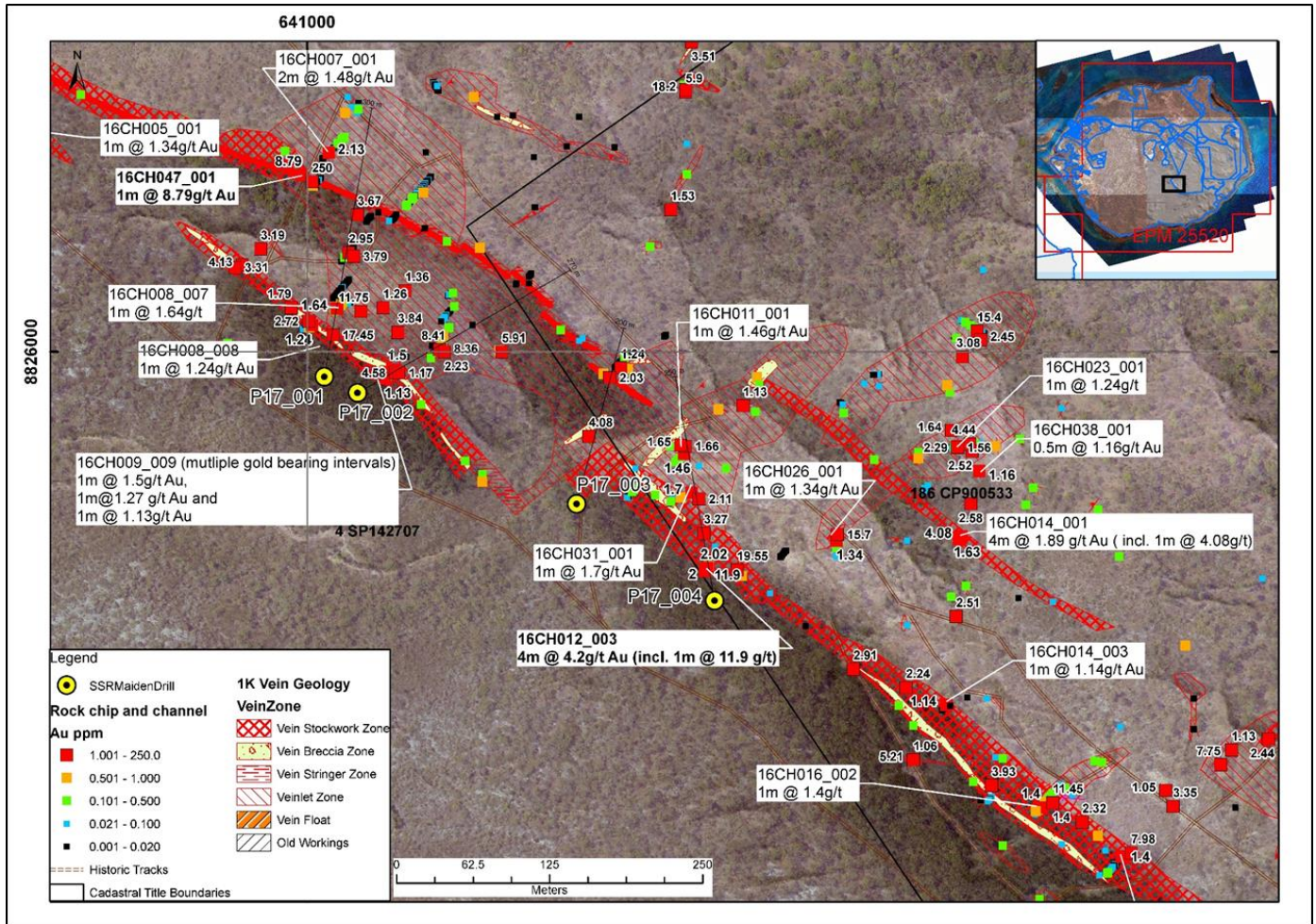


Figure 6 Map of SSR showing interpreted mineralised vein and stock work zones along with target drill collar locations

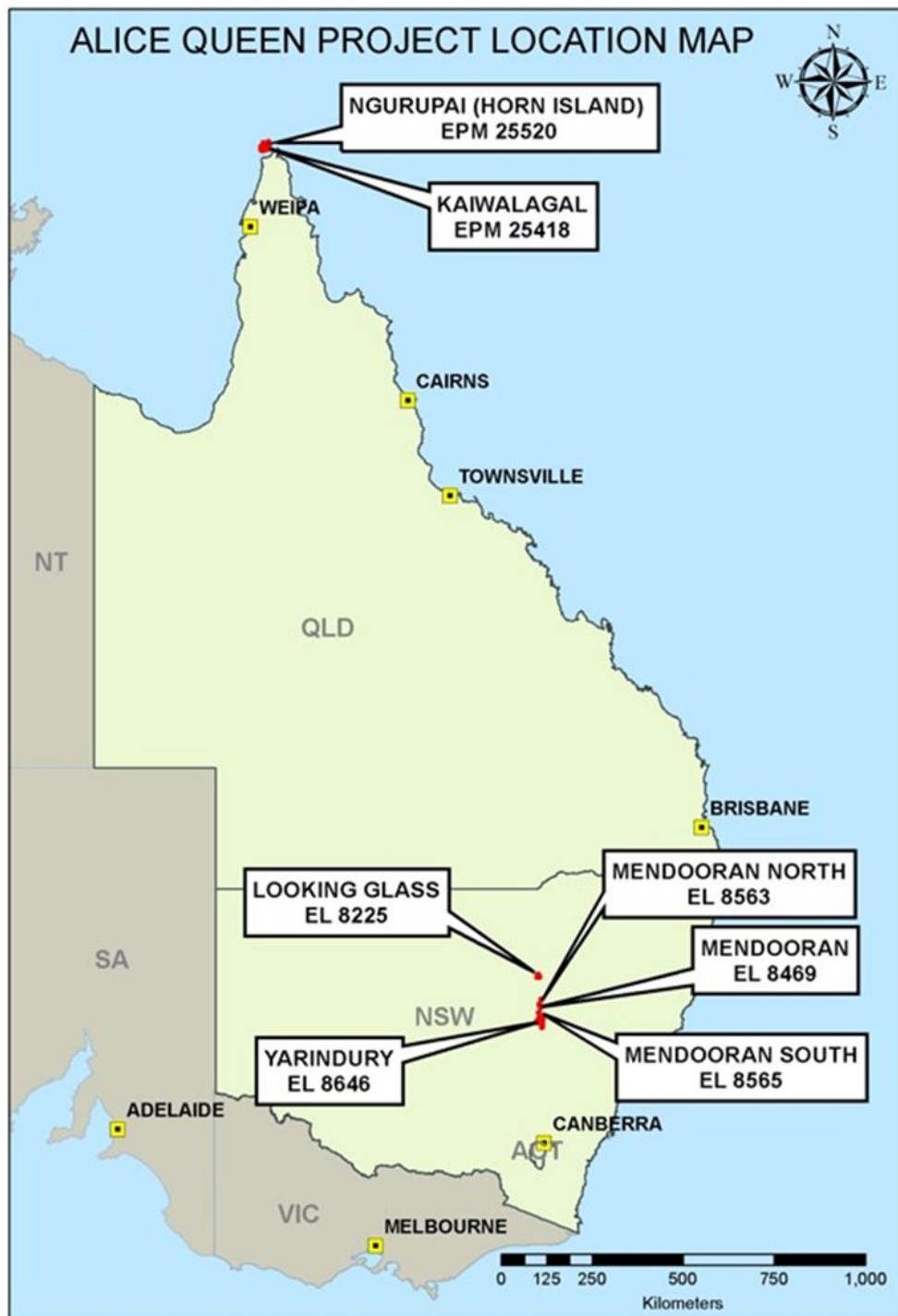


Figure 7 Alice Queen project location map



#### TENEMENT SUMMARY

Tenement	Location	Current Holder*	Interest	Area (Sub Blocks)	Grant Date	Expiry Date
EPM 25520	Queensland	Kauraru Gold Pty Ltd	100%	24	08/10/14	07/10/19
EPM 25418	Queensland	Kauraru Gold Pty Ltd	100%	83	24/01/16	24/01/21
EL8469	New South Wales	Monzonite Metals Pty Ltd	100%	100	30/09/16	30/09/18
EL 8225	New South Wales	Monzonite Metals Pty Ltd	100%	74	06/01/14	06/01/18
EL8563	New South Wales	Monzonite Metals Pty Ltd	100%	28	12/05/17	12/05/19
EL8565	New South Wales	Monzonite Metals Pty Ltd	100%	14	17/05/17	17/05/19
EL8646	New South Wales	Monzonite Metals Pty Ltd	100%	86	12/09/17	12/09/19

\* Note: Alice Queen Limited holds an 84.5% equity interest in Kauraru Gold Pty Ltd. Alice Queen Limited holds a 90% equity interest in Monzonite Metals Pty Ltd.

#### COMPETENT PERSON STATEMENT

The information in this announcement that relates to exploration results is based on information compiled by Mr Adrian Hell BSc (Hons) who is a full time employee of Alice Queen Limited. Mr Hell is a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Hell has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and the activity being undertaken to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves". Mr Hell consents to the inclusion of this information in the form and context in which it appears in this report.

For and on behalf of the board

Andrew T Buxton

Managing Director

Alice Queen Limited

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## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

**Name of entity**

Alice Queen Limited

**ABN**

71 099 247 408

**Quarter ended ("current quarter")**

31 December 2017

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(791)	(1,397)
(b) development	-	-
(c) production	-	-
(d) staff costs	(494)	(660)
(e) administration and corporate costs	(233)	(480)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other – Proceeds from Government Grant	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,518)</b>	<b>(2,537)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(3)	(3)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other – Refundable deposit	(25)	(25)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(28)</b>	<b>(28)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	214	214
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	2,254	3,574
3.4	Transaction costs related to issues of shares, convertible notes or options	(203)	(203)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>2,265</b>	<b>3,585</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,106	805
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,518)	(2,537)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(28)	(28)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,265	3,585
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,825</b>	<b>1,825</b>



<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	1,825	217
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	889
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,825</b>	<b>1,106</b>

<b>6. Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	140
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Fees to executive and non-executive directors of the Alice Queen Group.

<b>7. Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

## Mining exploration entity and oil and gas exploration entity quarterly report

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Exploration and evaluation	600
9.2 Development	-
9.3 Production	-
9.4 Staff costs	250
9.5 Administration and corporate costs	250
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>1,100</b>

10. <b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Nil			



**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:   
.....  
Company secretary

Date: 31 January 2018

Print name: Anne Adaley

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.